IN THE CLAIMS:

1. A method for impounding escrow funds by an electronic funds processor (EFP) from credit/debit card transactions of a merchant associated with a close-out period, the method comprising the steps of:

determining a first sales amount associated with one or more non-credit/debit card transactions of the merchant during the closeout period;

determining a second sales amount associated with one or more credit/debit card transactions of the merchant during the closeout period;

determining an escrow amount based on the first sales amount;

determining whether the second sales amount exceeds than the escrow amount; and

when the second sales amount exceeds the escrow amount,

crediting an escrow account with the escrow amount, and

crediting a merchant account with an amount equal to the difference between the second sales amount and the escrow amount.

2. The method of claim 1, wherein the one or more non-credit/debit card transactions are cash transactions.

3. The method of claim 1, wherein one or more non-credit/debit card transactions are each facilitated using a payment instrument selected from the group consisting of personal checks, money orders, bank checks, travelers checks, gift checks, gift certificates, and cash.

4. The method of claim 1, comprising the additional steps of:

determining a payable amount to be paid from the escrow account; and

debiting the payable amount from the escrow account.

5. A method for impounding escrow funds by an electronic funds processor (EFP) from credit/debit card transactions of a merchant associated with a close-out period, the method comprising the steps of:

determining a first sales amount associated with one or more taxable non-credit/debit card transactions of the merchant during the closeout period;

determining a second sales amount associated with one or more taxable credit/debit card transactions of the merchant during the closeout period;

determining an escrow amount based on the sum of the first and second sales amounts;

determining whether a third sales amount exceeds the escrow amount; and

when the third sales amount exceeds the escrow amount,

crediting an escrow account with the escrow amount, and

crediting a merchant account with an amount equal to the difference between the third sales amount and the escrow amount.

6. The method of claim 5, wherein the third sales amount is equal to the second sales amount.

7. The method of claim 5, wherein the third sales amount is equal to the sum of the second sales amount and a fourth sales amount associated with one or more non-taxable credit/debit card transactions of the merchant associated with the closeout period.

8. The method of claim 5, comprising the additional steps of:

determining a payable amount to be paid from the escrow account; and

debiting the payable amount from the escrow account.

9. The method of claim 8, wherein the payable amount is debited for payment to one or more of a local tax authority, a state tax authority, a federal tax authority, a judicial authority, a recipient of a legal judgment and a merchant.

10. The method of claim 5, wherein the escrow amount is determined as a predetermined percentage of one or more of the first and second sales amounts.

11. The method of claim 8, wherein the escrow amount is determined as a sum of one or more predetermined percentages of one or more of the first and second sales amounts.

12. The method of claim 10, wherein the predetermined percentage is determined from a merchant tax rate.

13. The method of claim 12, wherein the predetermined percentage is increased over the merchant tax rate in order to facilitate payment of back taxes.

14. The method of claim 10, wherein the predetermined percentage is determined as an estimate for generating escrow funds sufficient to pay a predetermined sum from the one or more of the first and second sales amounts over a predetermined number of sales periods.

15. A method for impounding escrow funds by an electronic funds processor (EFP) from sales transactions of a merchant associated with a close-out period, the method comprising the steps of:

determining a first sales amount associated with one or more sales transactions of the merchant during the closeout period;

determining a second sales amount associated with one or more credit/debit card transactions of the merchant during the closeout period;

determining an escrow amount based on the first sales amount;

determining whether the second sales amount exceeds the escrow amount; and

when the second sales amount exceeds the escrow amount,

crediting an escrow account with the escrow amount, and

crediting a merchant account with an amount equal to the difference between the second sales amount and the escrow amount.

Claim 16 A method for impounding escrow funds by an electronic funds processor (EFP) from sales transactions of a merchant associated with a close-out period, the method comprising the steps of:

determining a first sales amount associated with one or more sales transactions of the merchant during the closeout period;

determining a second sales amount associated with one or more credit/debit card transactions of the merchant during the closeout period;

determining a plurality of escrow amounts based on the first sales amount;

determining whether the second sales amount exceeds the sum of the plurality of escrow amounts; and

when the second sales amount exceeds the sum of the plurality of escrow amounts,

crediting one of a plurality of escrow accounts with each of the plurality of escrow amounts, and

crediting a merchant account with an amount equal to the difference between the second sales amount and the sum of the plurality of escrow amounts.